



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2008-2009

June 14, 2016

Paul Stankus
E-Rate Compliance Services
3130-C Inland Empire Blvd.
Ontario, CA 91764

Re: Applicant Name: SAN BERNARDINO CITY UNIF S D
Billed Entity Number: 143740
Form 471 Application Number: 603185
Funding Request Number(s): 1756315, 2083681
Your Correspondence Dated: June 19, 2015

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2008 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1756315, 2083681
Decision on Appeal: **Denied**
Explanation:

- USAC's reviewed your appeal and determined that competitive bidding violations did occur. The applicant failed to comply with the FCC's competitive bidding requirements. E-rate program rules require a competitive bidding process where an applicant chooses a service provider only after defining all of the specific services eligible for support at each eligible entity. Only by doing so can applicants ensure that they are receiving the most cost-effective services because bidders have sufficient information to determine exact bid prices. Applicants are required to provide bona fide requests for service, so that potential providers can provide accurate bids. The FCC elaborated on the meaning of bona fide in the Universal Service Order, where it stated that Congress intended to require accountability on the part of schools and libraries, which should therefore be required to (1) conduct internal assessments of the components necessary to use

effectively the discounted services they order; (2) submit complete description of services they seek so that it may be posted for competing providers to evaluate. In this instance, you defined the scope of the services in the RFP using four sample sites as a representation of the remaining 77 sites at the district. You stated that those four sites represented the worst case scenarios for an elementary, middle, high school and administrative building. You also stated that these sample sites represented the largest diversity of installation services, and that the district did not have the resources to determine their exact needs up front. Because you used these sample locations, you did not specify the actual quantities of products/services needed for each site. Further, because the models were worst case scenarios, an extrapolation of these sites would lead to overstatement of the needs of the district and does not meet the requirement for a complete and accurate description of the services sought. Because you failed to provide a bona fide request for services, service providers could not provide accurate bids and you violated the FCC's requirements for fair and open competitive bidding process. Therefore your appeal is denied. Your funding commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

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